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Sugar
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NEW SUGAR LEGISLATION EXTENDS THE PRESENT ACT THROUGH 1971

Legislation signed into law by the President, November 8, 1965 allocates sugar quotas between foreign and domestic producers through 1971.

The bill increased domestic quotas from 5,815,711 to 6,390,000 short tons raw value retroactive to January 1. Domestic beets increased from 2,650,000 to 3,025,000; and Mainland cane sugar increased from 895,000 to 1,100,000 tons. The statutory quota for Hawaii, Puerto Rico and Virgin Islands were unchanged. On the basis of a consumption level of 9,700,000 tons, foreign quotas would be as illustrated in the table at the end of the article. Domestic producers do not participate in the market growth between 9,700,000 and 10,400,000. Quotas for these areas will be increased by 65 percent (47.7 percent for beets and 17.3 percent for cane) of the requirements above 10,400,000 short tons and decreased proportionally if the amount of consumption requirements fall below 9,700,000 short tons.

The basic quota for the Philippine Islands is unchanged at 1,050,000 short tons raw value, but they will receive 10.86 percent of the increase consumption requirements between 9,700,000 and 10,400,000 short tons raw value. Also, the Philippines gets 47.22 percent of the shortfalls of any domestic area or country that is not a member of the Central American Common Market.

Quotas for foreign countries other than the Philippines, for 1965, are allocated on the basis of sugar regulations 811, as amended, issued February 15, 1965. Ireland receives a fixed quota of 5,351 short tons raw value to become effective January 1, 1966. The Bahama Islands receive a fixed quota of 10,000 short tons raw value to become effective January 1, 1968. Both countries must give assurances each year that their quotas can be filled with sugar produced in those countries.

Consumer requirements to be filled by foreign countries (other than Philippines) are divided between the Cuban reserve, other Western Hemisphere countries and countries outside the Western Hemisphere. The pro rata share is 50 percent, 40.52 percent and 9.48 percent, respectively, excluding quotas for Ireland

and the Bahamas. The Cuban quota, derived from consumption estimates up to 10,000,000 short tons is conditionally reallocated to designated Western and non-Western Hemisphere countries. Cuban accrual withheld due to consumption estimates in excess of 10,000,000 short tons will be prorated to countries that are members of the Organization of American States. U.S. sugar quota allocated to domestic and designated foreign countries is based on consumption requirements of 9,700,000 short tons annually. Other foreign quotas or any part of such quotas, suspended by the President will be reallocated to Western Hemisphere countries.

Determination of consumer requirements in the continental United States will be made during the last three months of each year. Such requirement determinations will be made on a 12-month basis for the following calendar year. One of the basic considerations for these consumption requirements will be the quantity of direct-consumption sugar, distributed for consumption, as indicated by the official statistics of the U. S. Department of Agriculture, during the preceding 12-month period ending September 30.

Whenever the Secretary finds it impossible to fill domestic demands from designated countries, he may obtain limited quantities of sugar on a first-come first-served basis from foreign countries. In acquiring such sugar, the Secretary will give special consideration to countries which agree to purchase for dollars; additional quantities of United States agricultural products.

No foreign country is permitted to send in sugar for direct consumption other than 59,920 short tons from the Philippines, 5,351 short tons from Ireland, and 3,817 short tons from Panama. The bill further prohibits quotas for any foreign countries other than Ireland, Bolivia, Honduras and the Bahamas, in any year following a 24-month period wherein such countries were net importers of sugar.

The Secretary is authorized to limit exports coming in from any country during the first and second quarters of the calendar year whenever such limitations are considered necessary to achieve the objectives of the act. The import fee provision previously contained in the Sugar Act has now been eliminated.

Foreign countries other than the Philippines are required to give assurance to the Secretary prior to December 1, 1965, that they will fill the quotas assigned to them for subsequent years. Quotas of any country that fail to give such assurance will be reduced to the amount for which assurances are given. The bill further provides for a National domestic reserve of 25,000 tons of beet sugar and 16,000 tons of cane sugar to be used by the Secretary to alleviate hardship and inequities.

U.S. Sugar Quotas Allocated to Domestic and Designated Foreign Countries, Based on 9,700,000 Short Tons Annually

Countries	Quotas 1/
	Short tons, raw value
A. Western Hemisphere:	
Mexico	348,569
Dominican Republic	340,903
Peru	271,911
Brazil	340,903
British West Indies	136,181
Ecuador	49,602
Colombia	36,074
Costa Rica	40,133
Nicaragua	40,133
Guatemala	33,820
Venezuela	17,135
El Salvador	24,801
Haiti	18,939
Panama	25,252
Argentina	41,936
British Honduras	9,920
Bolovia	4,058
Honduras	4,058
French West Indies	42,838
Subtotal	1,827,166
B. Other countries:	
Australia	162,335
China, Republic of	67,639
India	64,934
South Africa	47,799
Fiji Islands	35,624
Thailand	14,881
Mauritius	14,881
Swaziland	5,862
Southern Rhodesia	5,862
Malagasy Republic	7,666
Ireland	5,351
Subtotal	432,834
Total Foreign Quota	2,260,000
C. Philippines	1,050,000
D. Domestic Basic Quota:	
Mainland Beet Sugar	3,025,000
Mainland Cane Sugar	1,100,000
Hawaii	1,110,000
Puerto Rico	1,140,000
Virgin Islands	15,000
Total Domestic Quota	6,390,000
Total Basic Quota	9,700,000

1/ Quotas were computed on percentage basis.

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